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FISCAL IMPACT STATEMENT

LS 7253

BILL NUMBER: HB 1291

NOTE PREPARED: Jan 12, 2004

BILL AMENDED:

SUBJECT: Certification of Interior Designers.

FIRST AUTHOR: Rep. Hinkle

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill establishes the Interior Designs Certification Board. It provides that the board issues interior design certificates to qualified individuals. The bill also establishes penalties for a violation of the interior design provisions.

Effective Date: July 1, 2004.

Explanation of State Expenditures: This bill creates the Interior Designers Certification Board and a new professional category, certified interior designer, for which the new board would establish certification requirements. The five-member board would be responsible for overseeing the certification process, establishing fees and continuing education requirements, and preparing relevant forms.

The Health Professions Bureau (HPB) provides staff support for the health professions boards. Revenues from licensure are received by the state General Fund and expenditures are appropriated to HPB with augmentation from the state General Fund. Because the agency uses the same resources to support different boards and committees, it breaks down its expenditures by function rather than by board or committee. For this reason, the individual cost of any board or committee is indeterminable.

According to HPB, the common operating costs among the licensing boards include: board member per diem, travel expenses, printing, postage, supplies, telephone charges and personnel. Additional staff, such as a PAT II and Secretary III position may be required to provide support for a new board. Start-up costs for a new board may be greater than the annual operating costs once it is established.

On average for the past two biennia, biennial revenue from licensure and other fees such as internships, duplicate licenses, and examinations was approximately \$8.3 M, while the boards' and committees' direct and indirect expenditures were approximately \$3.6 M. Depending on revenue balances from licenses issued by all of HPB's boards, HPB could potentially absorb a portion of the operating expenses not covered by the Interior Designers Certification Board's licensing revenue.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. As of December 2003, HPB employed 56 authorized full-time staff members and had 2 vacancies (COMOT 3 and PAT1 positions). Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: The Interior Designers Certification Board establishes fees for the examination and certification of interior designers. Presumably, fees will be set at a level designed to cover expenses. The amount of revenue that will be generated by this proposal is indeterminable, but will depend on the number of interior designers who seek certification.

Penalty Provision - A person who: claims another's certification as their own; intentionally gives false information to the Board; impersonates another certified designer; uses an expired, suspended, or revoked certification; or otherwise violates the interior designer certification law; commits a Class B misdemeanor.

If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: *Penalty Provision* - A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: *Penalty Provision* - If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Health Professions Bureau.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Health Professions Bureau.

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